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FM AMEMBASSY SEOUL  
TO RUEHC/SECSTATE WASHDC 8136  
INFO RUEHBJ/AMEMBASSY BEIJING 0697  
RUEHKO/AMEMBASSY TOKYO 0773  
RHMFIUU/COMUSKOREA J2 SEOUL KOR  
RHMFIUU/COMUSKOREA J5 SEOUL KOR  
RHMFIUU/COMUSKOREA SCJS SEOUL KOR  
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SUBJECT: BUSAN: GNP POISED FOR CLEAN SWEEP

REF: A. 05 SEOUL 3215  
[1](#)B. 05 SEOUL 3368  
[1](#)C. SEOUL 1517

SUMMARY

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[1](#)1. (SBU) The Grand National Party's (GNP) is poised, once again, to vanquish all challengers in the Busan region in the May 31 regional elections. Dissatisfaction with the Roh Administration appears to have hardened the Gyeongsang Provinces' traditional loyalty to the conservative GNP. END SUMMARY.

VICTORY EXPECTED FOR GNP INCUMBENT MAYOR

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[1](#)2. (SBU) Busan's incumbent mayor, Hur Nam-sik (GNP), is expected to defeat main rival Oh Geo-don (Uri), former Minister of Maritime Affairs and Fisheries, by a margin of at least two to one. Polls earlier this week showed Hur leading 50 percent to Oh's 21 percent; the far-left Democratic Labor Party (DLP) candidate, Kim Seok-joon, trailed with 12 percent. Hur had previously defeated Oh for the same job in the April 2004 by-election.

[1](#)3. (SBU) According to Prof. Kang Sung-chul of Busan National University, the GNP would win this major mayoral race not only because of the Gyeongsang region's traditional loyalty to the GNP, but also because of widespread dissatisfaction with President Roh and his Uri Party and continuing pessimism about the economy. Although there had recently been some scandals involving the GNP -- including Mayor Hur, whose wife is accused of unauthorized use of public services -- voters would remain loyal to their party. Prof. Kang assessed that the region's loyalty to the GNP was such that the attack on GNP Chairwoman Park Geun-hye would not significantly affect the GNP's popularity one way or the other.

VOTERS DISSATISFIED WITH URI

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[1](#)4. (SBU) Like all other observers, Rep. Cho Kyung-tae (Uri), the sole Uri lawmaker elected from Busan, admitted to poloff May 19 that the Uri Party had "no hope" of winning the Busan mayoral race. Despite that knowledge, Uri had to field a candidate on the off-chance of picking up a handful of proportional seats in some local councils. Cho stated that the Uri Party was at a crossroads and would have to make some serious changes after the May 31 elections if it were to survive the aftermath of its certain defeat.

15. (SBU) Cho added, however, that the GNP's predicted success in Busan did not necessarily mean that voters supported the GNP. Rather, he opined, voters were disillusioned with both parties and were picking the lesser of the two evils. In fact, voter turn-out, according to the National Election Commission, is expected to reach a record low. The 2002 regional elections saw a turn-out of only 48.9 percent, low by Korean historical standards. Experts predict that younger voters are likely to be no-shows at polls on May 31 as they tended to be uninterested in local politics.

"IT'S THE ECONOMY STUPID"

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16. (SBU) Rep. Kim Byung-ho, the GNP's Busan Chapter Chairman and a two-term lawmaker, told poloff that the core issue of the local elections was the economy. Voters were worried about economic growth, the gap between rich and poor, and unemployment -- all issues that voters believed the Roh Administration was mishandling. Sounding a cautious note, Kim stated that the GNP should not mistake its victory on May 31 as a sign of likely voter favor. Rather, Kim said, it was simply that voters believed the GNP would do a better job halting the economic decline of Busan and other areas outside Seoul.

17. (SBU) Rep. Kim recalled that Busan, the second largest city in the ROK, was once a vibrant economic center with its port and numerous factories. During the 1980s and 1990s, however, the many shoe, plywood, and textile factories moved overseas. Busan's young adults were now leaving for Seoul because they could not find jobs locally. Not only did this drain young talent from Busan, Kim lamented, it also made Busan the fastest aging city in all of Korea (REFS A, B), which already has the lowest fertility rate of all the OECD countries (the ROK's 2005 fertility rate dropped to 1.08). In addition, Busan was ranked to have the third worst domestic economy.

GNP NEEDS TO ADAPT FOR PRESIDENTIAL RACE

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18. (SBU) Rep. Kim noted that the GNP was experiencing internal problems and would need to find a way to remain cohesive after May 31. Kim's sense, however, was that these internal problems were not bad enough to result in the party's break-up. The party simply needed to modernize and make more efforts to draw in Korea's younger generation, many of whom identify themselves as conservative, Kim said.

19. (SBU) According to Park Young-kyung, Chief of the Busan Ilbo's Political Desk, although voters would crown the GNP on May 31, they were nonetheless disenchanted with the GNP's excessive focus on politicking rather than public service. Park, too, warned that the GNP's coming victory did not necessarily mean it would win the presidential race. The GNP could not count on the continuing popularity of potential GNP candidates Park Geun-hye or Seoul Mayor Lee Myung-bak, nor should it presume that the Uri Party would continue to make mistakes. The 2007 presidential race, Park stressed, was still up for grabs.

VERSHBOW